

Charter flights

The Civil Aeronautics Board (CAB) has adopted, with some modifications, a rule it proposed last September to offer consumers greater protection when they buy a ticket on a charter flight.

The new rule becomes effective May 1 and charter participants can cancel or get a refund if:

- The city, departure or return date is altered (unless the change results merely from a permissible flight delay).
- A hotel, other than the one named in the contract, is used.
- The tour price increased 10% or more, whether all at once or by several smaller increases. No increase will be allowed after the 10th day before departure.

Under the new rule, a charter operator must notify the participant of any major change within 7 days and in any event before departure. The participant then has 7 days to cancel, and must get a full refund 7 days after that.

CAB says it is reluctant to prohibit charter operators from naming alternative origin or destination cities. "As long as prospective participants can be adequately informed of the risks involved, there is no need to prohibit contracts in which participants agree to assume these risks in exchange for a presumably lower price. The opportunity to name alternatives might result in not only lower prices, but also the availability of charter flights that it would otherwise not be worthwhile to market at all." However, this flexibility must be accompanied by greater disclosure requirements.

Operator-participant contracts that name alternative cities will be in a special category known as "Operator's Option Plan" contracts. These contracts must supply all the information contained in the operator-participant contracts and (1) must name all cities; (2) state that the final selection is at the charter operator's option and will not entitle the participant to a refund; and (3) state that the operator will notify participants of actual cities at least 10 days before departure.

Any advertising that gives a price for an Operator's Option Plan contract must stipulate that the price is for that plan only, and name all possible cities, and state that selection of cities is at the operator's option. Once the operator has notified participants of city selections, the use of any other city will constitute a major change that entitles a participant to a refund.

The rule prohibits collection of money from prospective travelers until they have signed operator-participant contracts. "We consider this prohibition to be important," CAB says, because "to make an informed choice, the consumer must be able to inspect the terms of the purchase before paying." Contracts must be written in "clear, understandable English with a print format that does not discourage reading."

Some commentators asked that CAB drop out of this rulemaking and leave the matter of charter consumer protection to the Federal Trade Commission (FTC), suggesting that FTC is the more appropriate agency to adopt this sort of rule. FTC disagreed, favoring adoption of the CAB proposal. Both agencies have studied the travel industry, and found that substantial problems exist between consumers and charter tour operators. CAB says, "These problems have existed for a long time, and for us now to pass them on to another agency would serve only to further delay their solution."

Details—*Federal Register*: March 9, page 12971. CONSUMER REGISTER: Oct. 1 and Dec. 1, 1978. For more information write or call Mark Schwimmer, Office of the General Counsel, Civil Aeronautics Board, 1825 Connecticut Ave., Washington, DC 20428; telephone 202-673-5442.

Cellulose insulation

April 9 is comment deadline on Consumer Product Safety Commission's (CPSC) proposed amendments to the safety standard for cellulose insulation. The amendments concern 2 new tests which would be mandatory in measuring the flame resistance of cellulose home insulation.

A proposed "smoldering combustion test" and an "attic floor radiant panel test" would replace the "Steiner tunnel test" currently used to measure flammability.

In order to be sold legally, cellulose insulation manufactured after Oct. 15, 1979 would have to pass both tests, as well as a corrosiveness test (designed to measure corrosive effects of water and moisture vapor on insulation fibers and to screen out cellulose products treated with flame retardants which could severely corrode structural materials and impair a building's stability).

In the "smoldering combustion test" a lighted cigarette is placed on a small sample of insulation (within an open-top stainless steel box) and allowed to smolder for at least 2 hours or until the smoldering stops. In order to pass, the insulation sample cannot burst into flame or lose more than 15% of its original weight.

The "attic floor radiant panel test" simulates installation on an attic floor and measures the effect of a small ignition source, such as a lighted match. CPSC says this test will give a more accurate assessment of open-flame resistance than the Steiner test.

A new label is being proposed to help consumers distinguish between cellulose insulation which has passed the new tests and older insulation. The label would read: "This product meets the amended CPSC standards (effective Oct. 16, 1979) for flame resistance and corrosiveness for cellulose insulation." It would replace labels now required for insulation manufactured after Sept. 7, 1978.

CPSC has also decided to propose requirements for conducting a reasonable testing program for the insulation, as well as for record-keeping and certification. Such requirements would assist manufacturers, private labeling companies and importers in complying with the amended interim standard; they will also help CPSC monitor compliance with the safety standard.

Details—*Federal Register*: March 8, page 12872. CONSUMER REGISTER: Sept. 1, 1978, Jan 15 and Feb. 15, 1979. Send comments marked "Cellulose Insulation: Proposed Amendment to the Interim Standard" to Office of the Secretary, Consumer Product Safety Commission, Washington, DC 20207. For more information write or call Harry I. Cohen, Office of Program Management at the above address; telephone 301-492-6453.

Alcoholic beverage labeling

June 4 is new deadline for comments on the **Bureau of Alcohol, Tobacco and Firearms'** (ATF) proposed regulations requiring partial ingredient labels on all domestic and imported alcoholic beverages. The comment period has been extended from April 3 to June 4 because of the proposal's potential impact on consumers and industry.

ATF says the proposal will give consumers useful and needed information without imposing undue cost burdens on the industry. The labels will be particularly valuable to consumers concerned about allergic reactions to certain ingredients.

Details—*Federal Register*: March 13, page 14577 and Feb. 2, page 6740. **CONSUMER REGISTER**: Feb. 15. Send comments to Director, Bureau of Alcohol, Tobacco and Firearms, P.O. Box 385, Washington, DC 20044. Attn: Chief, Regulations and Procedures Division. For further information call R.F. Conrad or T.B. Busey 202-566-7626.

Gas rationing

May 1 is comment deadline on a contingency plan of **Energy Dept's Economic Regulatory Administration (ERA)** for standby gasoline rationing regulations.

The contingency plan, developed under the Energy Policy and Conservation Act of 1975, was sent to Congress on March 1, and must receive an affirmative vote by both houses within 60 days.

If the plan is approved, it remains on a standby basis unless the President decides there is a severe gas shortage, or that implementation is necessary for the US to fulfill its energy conservation obligations under the International Energy Program (IEP). The IEP, if triggered, requires the US and other member nations to share available petroleum supplies during a severe energy shortage and to implement certain energy conservation measures.

If the President decides that shortages are serious, he must return to Congress and request authority to put the standby plan into effect. If Congress doesn't deny the request within 15 days, the US could have gas rationing for the first time since World War II.

The basic points of the plan as submitted to Congress are as follows:

- Gasoline ration checks, redeemable for coupons, would be issued primarily on the basis of motor vehicle registrations.
- Energy Dept. would calculate ration allotments based on annual average fuel consumption for each vehicle class. (Trucks and buses would receive larger allotments than passenger cars, which in turn would receive larger allotments than motorcycles). All passenger cars would receive the same allotment, regardless of fuel efficiency.
- Priority allotments would be given to essential public services, such as fire protection, police, ambulances, etc.
- Farmers would receive (in addition to allotments for their registered cars and trucks) sufficient ration rights for tractors and other gasoline-powered equipment to meet food and fiber production goals approved by the President.

• Ration checks would be issued quarterly in a form similar to **US Treasury Dept.** checks but in gallon denominations rather than dollars.

• Energy Dept. would contract with financial and other suitable institutions to exchange the ration checks for coupons, which drivers would present when purchasing gasoline.

• Energy Dept. would permit the purchase and sale of ration rights in a "white market." Prices would be determined by normal market forces, without government intervention. The white market would allow individuals with a smaller need for gasoline to sell a portion of their ration coupons to others with a greater need.

• States would be given a certain percentage of the total ration coupons to distribute to hardship cases and would be required to meet the mobility needs of the handicapped.

• Energy Dept. would maintain a national vehicle registration file from records submitted periodically by states and other sources as appropriate, using additions, deletions, and changes of vehicle registration or operation status. Vehicle transfers will be recorded in the national file to permit only the most recent registrant to receive the ration allotment.

Energy Dept. has requested an appropriation of \$53.4 million in fiscal years 1979 and 1980 to provide for pre-implementation so that, if needed, the plan could be put into effect in 90 days or less. Completion of this pre-implementation phase will take 6 to 8 months.

Consumers wishing to comment on the administrative or fine points of the plan's implementation, should comment to the ERA. Those wishing to make comments on the plan before Congress takes action may wish to contact their Senator or Representative—again before May 1.

Details—*Federal Register*: March 14, page 15568. **CONSUMER REGISTER**: July 15, 1978. Send comments (non-Congressional) to Public Hearing Management, Room 2313, ERA Docket No. ERA-R-14, 2000 M St., NW, Washington, DC 20461. For further information write or call William Webb, Energy Dept., at the address above; telephone 202-634-2170.

Tax forms

June 1 is deadline for comments and suggestions for improving **Internal Revenue Service's (IRS)** tax return forms, instructions, and related schedules.

Letters should be self-explanatory and sufficiently detailed to clearly explain any suggestions. Although it will not be able to reply to comments received, IRS promises careful consideration of all responses.

NOTE: Last year **US Office of Consumer Affairs (OCA)** asked IRS for a longer comment period to allow consumers and others more time to send in suggestions. This year we are pleased to see that IRS has added an extra 6 weeks to the comment period.

Details—*Federal Register*: March 8, page 12794. **CONSUMER REGISTER**: April 15, 1978. Send comments to Chairman, Tax Form Coordinating Committee, Room 5577, Internal Revenue Service, 1111 Constitution Ave., NW, Washington, DC 20224. For further information you may telephone 202-566-6254.

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consumer comment

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